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INAUGURAL ADDRESS
OF
GOVERNOR R. S. VESSEY
TO THE
ELEVENTH LEGISLATIVE SESSION
STATE OF SOUTH DAKOTA

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TO THE

South Dakota Legislature

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INAUGURAL ADDRESS

To the Senators and Representatives, and to the People of South Dakota:

In addressing you upon this occasion, I wish, first of all, to extend to you my most hearty congratulations. I congratulate you upon the high standard of your citizenship, upon the unequalled prosperity of our people, and upon the high place our young commonwealth has attained in the sisterhood of states. For years South Dakota has stood first in the Union in the production of agricultural wealth per capita, and the increasing immigration together with the opening up of new tracts of virgin soil to settlers, has increased our hold upon this pre-eminent position. ' Our people are lovers of law and order, haters of evil and lovers of right. They have been steadily purifying our politics and at the last general election made themselves heard upon at least one great moral question. In no uncertain way, they spoke upon the question, and the divorce evil, which lay like a blight upon the fair name of our state, was corrected and its advocates rebuked.

Whenever the will of the people has found full and free expression, it has always been for the right and for better citizenship.

It is your duty, as a legislature largely Republican, to carry into effective legislation every principle advocated in our party platform, and faithfully to fulfill every promise that the Republican party has made to the people of the state.

There will come before the present Legislature many problems to solve that are not party issues, but which will be for the best interests of the citizenship of the state. I trust all such maestros will have the thoughtful consideration and support of all the members of both branches of this Legislature.

The retiring Governor, from an intimate and accurate knowledge of our state affairs, has laid before you in detail the condition of the state and the needs, as he sees them, of the various departments. His recommendations are supplemented by the

reports of the departments, so that you have before you more complete and accurate information than it would be possible for me, standing upon the threshold of official duties, to give within the limits of this address..'

The affairs of our penal and charitable institutions have been ably and honestly administered. The money expended in enlarging and improving them has been utilized to the fullest extent, and with the best possible results. With our advance along all lines of modern thought and a clearer appreciation of the brotherhood of man, have come, of necessity, new ideas as to our treatment of those whom circumstances have brought under the discipline of our penal laws. The old punitive idea has been largely outgrown and in its place has come the reformatory purpose in dealing with this class. Our laws are adapted to the old conditions and do not give sufficient opportunity for the exercise of the best influences in this direction. I recommend that you give careful attention to the subject of the indeterminate sentence, and the use of parole in dealing with our convicted criminals, for the purpose of adapting their use fully to our laws and the present condition of the state penal institutions.

Our educational institutions are peculiarly a matter for patriotic pride. Year by year, they have enlarged their borders and. strengthened their influence. Their usefulness has constantly increased until today they have within their halls the largest number of young men and women, future citizens of the commonwealth, that they have had in the history of the state.

Just as the; care of the unfortunate is a charge upon our Christian citizenship, so the free and liberal support of our educational institutions is the highest duty of our patriotism. I urge upon you a continuance of the wise and liberal policies of the past, a careful husbanding of their munificent endowment, and ample provision for their growing demands.

The message just presented to you has dwelt at length upon the condition of the state finances. It is one of the most able documents ever presented to any legislative body. A careful study of the facts presented reveals the need of careful economy on your part in providing for the

administration of state affairs. The expenditures of the past two years have included the erection of several buildings. These stand in the nature of invested capital, but provision had to be made for them out of the current revenue. There is not now any pressing need for much further building, and I recommend that your expenditures in this direction be carefully restricted. The care and disposition of state funds should have your careful attention.

I recommend the enactment of a law providing for the designation of depositories of state funds and the payment to the state of interest on the daily balances in such depositories. The regulations governing such depositories should be uniform and open on equal terms to all the banks of the state, and no bank outside of the state should be eligible to selection.

The taxes, which are largely the source of these funds, come from all parts of the state and in selecting depositories for them it should be made possible for every part to benefit, as far as possible, by such deposits. They should be scattered among as large a number of banks as is compatible with their safety and the efficient administration of the treasurer's office. They should further be carefully safeguarded so as to make it impossible that these deposits should be directed by personal influence or political favor. At the same time, provision should be made for paying or the bond of the treasurer out of the state funds.

There is a strong public demand for the insurance of greater safety for bank deposits. The people are calling for some action to protect them in this respect. Our party platform declares in favor of the insurance of bank deposits in case of the establishment of Postal Savings Banks. I believe that a wise measure should be framed by which it will be made possible that all bank depositors shall be assured against loss. Pending the evolution of such a measure, I recommend that the safeguards around our banks be increased and made more strict.

Our laws should be amended so that no bank may be allowed to incorporate with less than \$10,000 capital. No bank should be allowed to invest in its building and furniture more than 40 per cent. of its capital and surplus. The amount of money a

bank may loan to its own officers should be reduced and carefully restricted; if, indeed, such loans should not be wholly prohibited. Banks should be compelled to bond their active officers in stated amounts, the bonds to be approved by the public examiner. When the deposits of a bank exceed ten, times its capital and surplus, such bank should be compelled to increase its capital or give bona to the state for a proportional amount of such excess. No bank should be permitted to be a stockholder in another bank.

But while we are thus placing safeguards about the banking business by means of salutary restrictions, we should not for a moment forget that no bank can have any other standard of safety than the safety of its assets ; and if we impose restrictions and hedge, the business about with safeguards, it is but just and right that we should also give to the assets of the banks that quality of safety which we are seeking for their deposits. To this end, I earnestly recommend that you pass the uniform negotiable instrument law which has found such favor in so many of our sister states. Also the exemptions allowed in this state should be reduced. At the present time they are unreasonably high, and their very size reduces the safety of otherwise sound loans,

Another source of great annoyance and embarrassment to tile banking business has been the numerous and successful burglaries within our state. As a means of helping to stamp out this curse, I recommend that you make the penalties for bank-robberies more severe and also make it a crime for any person to be found with nitro-glycerin or burglars' tools in his possession, unless he can clearly and positively show his intention to use them for legitimate purposes.

The present hank examiner has been a hard-working and conscientious official. He has, however, been seriously handicapped by the limitations of his office and equipment. There are 393 banks in the state under exclusive state control. Besides about twenty-five private banks, all the state institutions and departments, and the county treasurers of the state. Without an increase in his office force, it is impossible for him to examine each one once a year. I recommend an addition to the number of deputies for this department, and a corresponding provision for, the cost of maintenance.

The primary election law, which had its first test in the

past year, has proved a success and has the approval of the people. Experience, however, has shown the possibility of some improvement in its details. It should be revised with a view of eliminating, as far as possible, whatever of unnecessary expense is connected with it. It should be made possible for one convention of each party to do all the party work of any one campaign, and whatever method seems to you best should be adopted to secure a definite and systematic arrangement of names upon the primary ballot, but the principle for which the law was enacted should not be sacrificed in the interests of the individual, and to prevent the participation of voters in the primary election of a party with which they are not allied.

The office of Immigration Commissioner, created by the last legislature, has done good work and its creation has been amply justified. This office, however, has too much work placed upon it. It should be a department by itself, and the work of the Secretary of the Board of Agriculture should be separated from it. There is a large field of usefulness for this office as yet unfilled, and every advantage should be given to it to enable it to fulfill its appointed work.

There is no essential difference between states and private business organizations in the matter of advertising. Just as in private business much is lost in volume of business, regardless of the quality of the goods offered, if advertisement be lacking, so it is with the state when she seeks immigrants to develop her resources. For years we have done nothing to advertise to the land seekers of the east the splendid opportunities that lie within our borders. The immigration department of Canada, Minnesota, North Dakota, and of the rest of the Northwest, are thoroughly alive to their opportunities, have advertised extensively and have thereby deflected to themselves thousands of immigrants that should have come to us. With better soil and far more favorable opportunities, we have lacked only the proper advertising. The eastern portion of the state in particular has suffered from this condition. Active real estate men and the railroad immigration agents have advertised the western part and done much for that portion of the state. In the eastern part of the state are millions

of acres of land which in quality, location, and all the essentials of value, are equal or superior to the lands in neighboring states, and which are held at \$20 to \$40 per acre under their rightful value. The Black Hills section of the state is entitled to greater publicity, as the mining industry is just in its infancy, and large amounts of money could be invested there to the profit of the investor. The use of proper advertising in showing these conditions to the buyers and investors of the east will add millions of dollars to the value of the lands and mines of the state, increase the revenue derived from taxes upon them, and abundantly justify the expenditure made to advertise them.

One of the best forces for the advertisement of our resources has been the State Fair at Huron. This has grown by leaps and bounds. Last year was the most successful in its history. The people are to be congratulated upon its growing importance and the practical demonstration which it affords of the excellence of our resources. Ample provision should be made for its support.

The Farmers Institutes held throughout the state have been very ably conducted and the source of much good. We have been fortunate in securing Prof. Holden, the corn specialist of Iowa, for a trip through the state on the seed corn Special. His engagement will be of great benefit in giving practical efficiency to the work. If the services of such a man might be obtained by the year, it would be a profitable investment for our state. I recommend that the appropriation for the Institutes be somewhat increased and every measure used which will increase their influence.

The rapid development to the country and the fencing of hitherto open tracts have recently given vital importance, especially to our farming population, to the question of good roads. Under our present system, the responsibility is to divided and the general character of the work done upon the roads so inefficient, that a change seems imperative, I recommend that road taxes be required to be paid in cash ; that the office of township road supervisor be abolished, and the office of county road supervisor created. This officer should be appointed by the board of county commissioners in each county and should have authority, outside

of incorporated towns, over all the roads in the county for which he is chosen. The work on the public highways should be done by contract and the supervisor made responsible for the supervision of all contract work. The powers of the Board of County Commissioners should be so extended that they may have the same right to make expenditures for the building of needed grades, that they now have for the building of bridges.

We have been recently called upon to mourn the death of one of the justices of our Supreme Court. A kindly friend, a loving father, and an able jurist, his death is a loss to us all. His death brings sharply to mind the conditions under which he labored. Our Supreme Court has for years been burdened with work far beyond its capacity. Its work is several years behind. It is unnecessary for me to point out to you the injustice to litigants which this condition entails. When a case is carried to the Supreme Court, and then after two or three years remanded to the lower court for a new trial, in many cases witnesses may have removed from the state, or have been taken away by death, so that the labor and expense of the new trial is multiplied. Under these conditions, the wealthy man is given an unjust advantage over his poorer opponent who may have more right, but a shorter purse, on his side. To remedy this condition, I recommend the addition of two justices to the Supreme bench and a corresponding provision for their maintenance.

The question of the proper regulation of trusts is one of the most vexatious problems now confronting the state and national government. At this time, I urge upon you the enactment of a law prohibiting, under severe penalties, the sale of a commodity by a corporation in one part of the state cheaper than in another part, cost of transportation being taken into consideration. Further, industrial corporations should be prohibited from owning stock in other corporations, and we should authorize the filing of quo warrantor proceedings to dissolve any corporation, the majority of whose stock is thus acquired by a holding company.

I most earnestly direct your attention to the Department of Insurance. This department has been given too little attention in the past and has been too generally regarded as a mere political

asset, instead of the trustee of the people's rights in this important field. Its powers are too limited and the laws under which it operates are inadequate. This condition is felt particularly by the life insurance interests. On account of the prosperity of our people, their ability to invest, and the laxity of our laws, this state has for years been a favorite field for the exploitation of unsound life insurance and "wild-cat" schemes purporting to have insurance features. Concerns ejected from other states have here found welcome and prosperity. Contracts prohibited in all the states, where a careful regard for the rights of the people obtains, are written here without let or hindrance. This condition has caused great injury to the sound and reputable companies and should be at once remedied.

I recommend an entire revision of our Insurance Code and the enactment of a new Code, modeled, so far as our conditions permit, upon the codes of Massachusetts, Colorado or Connecticut.

In order to protect our people from the consequence of unwise rates in the various organizations offering fraternal or assessment life insurance, I recommend that no such organization outside the state be permitted to enter this state whose rates are not at least equal to the rates prescribed by the Fraternal Congress, and that such fraternal organizations now doing business in the state be given a certain time to adjust their rates.

The Insurance Commissioner should be given more definite power to exclude from the state such unsound companies as are not up to our standard of safety.

I would further suggest that the department of insurance be also empowered, after any serious conflagration, to take charge of and compel the removal of such ruins as are a menace to the public safety.

The office of Hotel Inspector, created by the last Legislature, has well justified its existence. Its authority should be extended to the kitchens and bed-rooms of hotels and to the public waiting rooms at stations and passenger coaches of the railroads. If this should be accomplished and salutary laws on the subject made and enforced, it would be a very great service to the traveling public.

Our party stands pledged to the passage of a two-cent rate

law for passenger transportation. I urge its immediate passage, as you have noticed by the governor's message that the railroad commissioners have materially reduced the freight rates west of the river. We urge the continued supervision and watchfulness in regard to these rates, so that the farm, the factory and the mine in the western part of the state are able to send their product to all parts of the state at a reasonable freight rate.

The state militia is in a very satisfactory condition. It fills an important place in the needs of the state and I recommend the usual appropriation for its maintenance.

The retiring Governor has given liberal space in his message to the discussion of the needs and proper completion of our magnificent new capitol building. His recommendations are timely and should bear great weight with you.

It has, in the past, been the misfortune of the legislature to have too much incompetent help. I urge you, so far as you are able, to raise the standard of efficiency for those whom you employ. To this end, I suggest the employment, by each branch of the legislature, of four expert stenographers whose duties it shall be to do the general stenographic work of the legislature, to serve as many committees as possible, and who shall, at stated times, be open for the service of any individual member.

Our scattered population and the absence of large cities, has heretofore left us free from a crime which has now begun to make its appearance. I allude to the crime of procuring young girls for immoral purposes. For this crime against the foundation of society, I recommend that you provide the most drastic penalties. The penalty should not be less than twenty-five years in the penitentiary, with corresponding penalties for all accessories. In this connection, I would recommend that the penalties for keeping houses of prostitution should be greatly increased, and when girls under the age of legal consent are found in such places, that the minimum sentence for this crime be ten years in the penitentiary.

The field for our charities is large and our provision for them is extensive, but there is one more need made pressing by our present conditions. We make it a criminal offense for a man to desert his family, but when the condition is changed and he be-

comes a helpless charge upon them, we offer no relief. Confirmed victims of the liquor habit lose not only their capacity for supporting their families, but their capacity for self-support as well. When they reach this stage, it becomes a matter for the state. This condition is a disease and should be treated as such. I recommend the establishment of a Hospital for Inebriates, where these unfortunates may have the care and medical attention which their condition demands.

So long as the state permits the sale of intoxicating liquors, so long we stand doubly charged with the proper care of these unfortunates. I believe the liquor traffic, which is the cause of their downfall, should be made to stand the expense of their care. I recommend that provision be made for the erection and maintenance of the proposed Hospital by requiring that fifty per cent. of all licenses paid within the state be paid to the state direct for that purpose.

While dwelling on this subject that has to do with the welfare of the home, I want to call your attention to the crusade which is being made against the use of the cigarette. If you will note what the medical profession is saying in regard to this rapidly increasing and very harmful habit, and also how clearly the educators of our state point out its harmful effect upon our young boys, physically, mentally and morally, you will see the great need of drastic laws against the sale of cigarettes in this state.

We provide for the protection of our cattle and horses against contagious disease; of our stock on the western prairies against the ravages of the wolves ; and of our birds against the wanton hunter. Our fish in the lakes and rivers and our wild game on the prairies and in the forests are protected the greater part of the year from destruction. These are all essential measures, but more essential than any of these is the proper protection of the home against any and all influences that are opposed to its best interests.

The home is the most sacred spot on earth. It is at once the foundation and superstructure of our social life. Destroy its sanctity, corrupt its purity, and the nation would totter to its fall. Every evil that threatens this sacred spot should be crushed with-

out mercy. I do not expect you to legislate virtue into men, but, as Gladstone says, "We can make vice far more difficult."

There are three influences that always work injury to the best interests of the home. They are the cigarette habit, the gambling habit, and the use of intoxicating liquor.

I beg of you, remember this; and when you deal with these influences which threaten that institution whose value on earth far outweighs all else, when the sworn discharge of your duty brings you face to face with the responsibility of suppressing or restricting them, let no shallow sophistry or specious plea of material advantage overshadow your clear sense and calm conviction of the eternal right.

R. S. VESSEY,

Governor.

January 5th, 1909.